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BOOK DISPATCH

SUBJECT: Administrative Policies

1. Several administrative policy changes have been published in the past two years affecting those areas which we refer to as "fringe benefits." These changes have caused concern on the part of some employees in that they tend to reduce the benefits that accrue to overseas duty. Since this indication of concern has been expressed to me on several occasions recently, I feel that some further explanation of the reasons underlying the policy changes is warranted. In addition, this is an appropriate time to illustrate the fact that many of the changes that have been made, or are being contemplated, are advantageous to overseas personnel, both officially and personally.

2. All of us are well aware of the efforts being made by the President and the entire Administration to effect substantial economies in the operation of the government and that these efforts have culminated in certain government-wide restrictions and reductions. While we do not intend to hamper our operational capability or administrative effectiveness, we must nevertheless adopt those government-wide measures which do not adversely affect our ability to carry out our operational responsibilities. Although these efforts are by no means directed at the overseas employees exclusively, this group certainly will be affected

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directly or indirectly by many of the changes and it must accept this condition with understanding and cooperation.

3. Housing is one of the major changes of the last two years, both in terms of the degree of change and employee reaction. With the employee's personal funds being involved, it is only natural that there would be resentment toward any change from the most liberal policy which we enjoyed until January 1963. Much has been written recently on the reasons for adoption of the new policy, and these reasons need not be detailed here. It should be remembered, however, that our previous housing policy was by far the most liberal in the government, and that unfortunately there was great disparity in its application [redacted]

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[redacted]. It became well known in other overseas agencies that we were drastically different in the handling of our housing, and the external pressure which resulted made continuation of that policy impossible.

4. In formulating the new policy it was KUHAK's desire to eliminate any housing inequities that might have existed and to bring our policies more closely into line with those of other overseas agencies. It was recognized that the standardized allowances were not always current or otherwise adequate to serve their intended purpose, and this condition was met by the granting of authority to share excess costs where necessary.

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5. Under the new policy, we found it necessary to concern ourselves with the adequacy of the Standardized Quarters Allowance,

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housing cost data and have been able to influence the process of allowance adjustments at several posts. Since we do not wish to place a reporting requirement on all stations to provide housing cost data on a regular basis, we are requesting submission of the following data from only those Chiefs of Station who believe that the quarters allowances for their posts are inadequate:

- a. GS grade of employee
- b. Family (number) at post
- c. Date quarters occupied
- d. Description of quarters (house, apartment, etc.)
- e. Annual rent in dollars
- f. Utilities cost in dollars
- g. Other costs (specify type) in dollars
- h. Total annual cost in dollars

The new policy also provides a ready channel for the approval of exceptions where they are justifiable or are required for operational or representational reasons. Although not the perfect answer to the problem of overseas housing, the new policy does accomplish the goals

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for which it was intended, while at the same time providing for decent housing for our personnel at minimal personal expense. We now must accept the new policy and administer it in such a manner that the problems and criticisms of the past are avoided in the future. Bear in mind that our new housing policy with its provision for 50-50 sharing of costs in excess of the allowance continues to be considerably more liberal than those of other overseas agencies, that our average employee is out of pocket only \$20-30 a month and that the overly lenient application of the new housing policy could easily result in external or internal pressures that could place it in jeopardy.

6. A second administrative area where policy changes have caused some concern is that of motor vehicles. Here again, change has been necessitated by the combination of a very liberal policy and a lenient application of that policy. As was the case in employee housing, organizations outside of KUBARK became aware of and critical of our practices, and pressure for change was the result. While much of the criticism grew from lack of understanding of the unique requirements of our activities and can thus be ignored to an extent, some was quite valid. Our own self-criticism and review, which is so vital if we are to continue to merit exceptions to the standard rules, confirmed that changes in our approach were needed. Few of us, in honest reflection, could argue against it.

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9. The 60-day limitation on travel and leave time between assignments is another area wherein "fringe benefits" have been curtailed. Given our current personnel ceiling situation, it is essential that we make the maximum utilization of our authorized manpower if we are to effectively carry out our assigned responsibilities. A review of the travel records for a representative period revealed that a considerable number of employees were spending several months in travel and leave between assignments. Not only did this result in a loss of their services for this period, but it also influenced the time of assignments for those persons they were to replace eventually. It is easy to see that a chain reaction could result which would hamper the productivity of several offices. We all realize the importance of home leave and its related travel. As a general rule, however, we do feel that the duration of this leave and travel must be determined in part by the requirements of KUBARK and its activities. The time limitation is not intended to be arbitrary and exceptions will be granted where they are justified and allowable in terms of the employee's next assignment, travel distance or other considerations.

10. The past two years also have seen certain changes in our travel regulations. The change that has caused the most discussion has been the limitations that have been placed on first class air travel. These restrictions

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provisions and amended our regulations accordingly. While in certain cases travel now may be somewhat less comfortable, we do not believe that application of the new travel policies will work an undue hardship on our personnel. The regulations do provide for exception in the case of operational or medical need.

11. Not all of the changes that have been made, or on which we are now working, are restrictive or seemingly negative. For example, the following administrative developments should do much to simplify overseas administration and provide certain benefits for our personnel:

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(c) The preferential Credit Union interest rate for automobile loans has been extended to provide coverage for overseas personnel. (See Book Dispatch No. 4327 for procedural guidance in applying for such loans)

(d) Our travel regulations have been amended to provide for the payment of per diem to dependents when the employee is delayed for TDY in the course of PCS travel.

(e) The policy governing reimbursement for night watchmen services has been liberalized. (See Book Dispatch No. 4479)

(f) A considerably simplified logistics procedure for very small stations (6 men or less) is in the final stages of coordination.

12. In addition to the changes listed above, the following proposals which are under active consideration would result in a further simplification of administrative procedures:

(a) The Office of Logistics is working on a new regulation which would delegate to the Chiefs of Station the authority to procure normal air-conditioning equipment under certain criteria.

(b) A proposal is being coordinated which will provide for reimbursement of travel costs between a selected overseas

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station and headquarters on a commuted rate basis; i.e., the employee is given a predetermined sum of money to cover transportation, per diem, baggage and incidental costs for himself and family and no accounting is required other than notification of their arrival at destination. If this pilot operation proves successful, we hope to extend its application to other appropriate overseas stations.

c. Serious study is being given to the development of an annual nonaccountable allowance (to include travel, quarters, post, education, transportation, transfer, equalization and other allowances) for Staff Agents and Contract Agents which would eliminate the cumbersome accounting procedures now required of these individuals.

d. We are exploring the legal possibility of re-establishing transfer allowances to be paid to all employees who are transferred PCS to or from overseas stations. This allowance would be intended to offset to a degree the out-of-pocket expenses such personnel incur for such things as curtains, drapes, rugs, etc.

13. As can be seen from the above, the administrative changes of recent months have developed from many different causes and desires for change, not the least of which is the desire on the part of Headquarters

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to reduce to the minimum the administrative workload placed on overseas installations and personnel. A review of these changes also illustrates that the Agency can and will be "different" in its administrative practices and policies where our unique activities or responsibilities so warrant. By the same token, however, where our situation is no different from that of any other government agency, we will conform to the standard government practices to the extent feasible. All of us have the important responsibility to insure, through the prudent administration of our special authorities, that these authorities will not be jeopardized.

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